As can be seen, only minimal outlays have as yet been made for construction of this third dam, and those have only involved minor items such as an access road, pool clearing, and the like. Construction of the main project has not yet begun. In the intervening period since the license was issued, a series of problems have arisen, some of them involving calculations and predictions of Idaho Power's need for energy as expounded during the licensing proceedings, and some of them arising from events which have occurred since then. These problems raise serious doubts concerning the wisdom of proceeding, under present circumstances, to construct this dam. It is my strong belief that the fulfillment and implementation of our licensing responsibility require us, in a separate and independent proceeding, to investigate all questions and quiet all doubts regarding this important natural resource before allowing the company to proceed with its further development.

However, with respect to this particular application, I am convinced that our responsibility under Section 204 precludes us from approving the issuance of securities to finance that undertaking without at least exploring the questions in which Project No. 1971 has become enshrouded.

In the following brief summary of those questions, insofar as they can be identified at the present time, I shall not attempt to reach conclusions or pass judgments. It would be patently unfair and unsound to do so. My only purpose is to outline the questions and urge that the public interest requires their constructive settlement before the expenditure of very large capital funds is permitted.

I

It appears that the Idaho Power Company is already faced with a problem of surplus capacity; and that this situation is likely to continue for some time in the future. Further, it has been variously estimated that Idaho Power will not need the additional 272,000 kw to be provided by Little Hells Canyon dam until sometime between 1966 and 1975,[1] and none of these estimates has taken into consideration the problems Idaho Power may face in attempting to dispose of additional capacity at compensatory rates if low-cost Bonneville power becomes available in southern Idaho.

In the present circumstances there is some degree of doubt concerning the economic wisdom of building all three of those projects, as was the case in 1958 when our predecessors chose to grant a license for all of these separate undertakings to a company that then had an installed capacity of 375,375 kw, rather than recommend the construction of a single large unit by the Federal Government. The extent to which these projects were undertaken as the result of a clash between ideologies rather than as the result of prudent business judgment remains undetermined.

In any event, the result of premature yet legally necessary construction (i.e., for license retention purposes) has been to force Idaho Power to dispose of its surplus production by means of practices which may be operating to the detriment of its consumers and possibly of its stockholders. Consequently, I am most reluctant to enlarge and aggravate what already appears to be a problem seriously affecting the public interest by approving the issuance of securities to finance what, in the light of available evidence, may prove to be additional premature or unneeded construction.

There already exists a need to settle the question whether the cost of Idaho Power's present excess capacity should continue to be borne by its customers, or whether that cost should be borne by its stockholders until inclusion of all generating capacity in Idaho Power's rate base is economically justified. Failing this, however, I feel that as a minimum we should determine whether the financing costs of the additional issue here proposed should properly be charged to Idaho Power's customers or to its stockholders.

The available evidence referred to includes but is not limited to the following:

(a) Idaho Power has contracts with Pacific Power and Light, Washington Water Power, and Utah Power and Light for large blocks of firm power from Idaho Power's new Brownlee and Oxbow dams on the Snake. Idaho Power's contract rates to those companies for that power are: Pacific, 4.75 mills; Washington Water Power, 4.75 mills; and Utah Power,[2] 4.60 mills. Idaho Power's

[1] At the time the three alternate installations were planned, Idaho Power itself testified that they would provide it with surplus capacity. The examiner in the Hells Canyon proceeding accordingly found the economic feasibility of company's three-dam plan "extremely doubtful" until the year 1975 (finding No. 31).

[2] A 1958 rate filing.